

**UNITED STATES DISTRICT COURT**  
**FOR THE CENTRAL DISTRICT OF CALIFORNIA**

United States of America,	)	<b>8:24-cr-00126-JVS</b>
	)	
Plaintiff,	)	
	)	
vs.	)	
	)	<b>VICTIM IMPACT STATEMENT</b>
Andrew Hoang Do,	)	
	)	
	)	
Defendant,	)	
_____	)	

Honorable James V. Selna  
District Judge  
Ronald Reagan Federal Building and United States Courthouse  
411 West Fourth Street  
Courtroom 10C  
Santa Ana, CA 92701-4516

June 3, 2025

RE: Andrew Do Sentencing

Dear Judge Selna,

Much as I have tried to avoid the press coverage related to Andrew Do and his upcoming sentencing, I feel compelled to write to respond to misstatements circulating in the press that his re-direction of funds intended to feed homebound seniors during the pandemic was an outlier. Based on my over six years of working closely with him, I can state unequivocally that this was not a one-off lapse in judgement. Instead, it is very consistent with how he operated in his roles over the Orange County Health Care Agency and at CalOptima, where his actions were unbounded by any rules or program requirements and he treated the resources of the agencies as nothing more than spoils to be used to advance his personal agenda. The homebound seniors issue involved such a small amount of money relative to the other shenanigans he and his cronies have (at least so far) gotten away with, that he must have assumed it would go through without anyone the wiser. While he knows the criminal justice system well and will undoubtedly profess remorse and embarrassment, his only true regret must be that his master plan to control CalOptima's +\$4 billion annual budget, earn over \$1,000,000 a year as CalOptima CEO and have the whole OC health care community beholden to him got tripped up on what is, in the bigger scheme of what he was doing, an inconsequential amount of money.

I work here in Orange County, and I write anonymously out of fear of retaliation not just from Andrew Do, but from his long list of cronies who owe their livelihood to him and continue to hold prominent positions in healthcare here in the county. Whether he's out in a year, or two, or three, the moment he is, he will be collecting what they owe him, and I simply cannot handle any more retaliation and damage at his hand.

As a clinician, I knew him well beginning during his time as a staffer for Janet Nguyen and continuing through much of his time as a county supervisor. Over that period, I attend probably 30-40 meetings with him. In those meetings, not once did he ever express any interest in understanding how the healthcare delivery system was structured or the strings attached to the state and federal funding received by the Health Care Agency and CalOptima, and he certainly didn't care about prior actions by the supervisors or by the CalOptima board. His focus with every decision I saw him make was about figuring out how to get away with funneling money to people he was trying to curry favor with, punishing those who he saw as getting in his way, placing unqualified cronies in positions to do his bidding, and gutting both organizations of staff who were competent rule followers. While I have occasionally witnessed "political" actions by other supervisors and other local elected officials, with Do, this was his singular focus, and was at a whole different level. For

him, every staff member fell into one of two camps. There were those without scruples who would blindly follow any order he gave, and then there were the rest of us who did not see him as above the law, who he saw as obstructionist mortal enemies. As time went on, and he concentrated more power, he became absolutely intolerant of any staff person at any level questioning him, suggesting alternatives, or in a lot of cases, simply advising him that what he was pushing through was outside of what was allowed by the state or federal government.

At the Heath Care Agency, he forced out Mark Refowitz who at the time was both HCA Director and the CalOptima Chair for believing and acting as if his titles actually meant something. Do replaced Refowitz at HCA with Richard Sanchez who did whatever Andrew told him to do. After Do got rid of Paul Yost, Lee Penrose, and Ron DiLuigi, the last three independent board members at CalOptima, he forced out Michael Schrader who had been CalOptima's CEO for over seven years and led the organization to stellar health care quality, member satisfaction, and regulator audit and financial results. Do then replaced Mr. Schrader with Richard Sanchez, more than doubling his salary in the process and setting him up for a lifetime county/CalPERS pension that totals nearly three times more than he was earning the day before Do put him in as HCA Director. Mr. Sanchez had no managed care experience and didn't even pretend that the other CalOptima board members mattered. He just passively sat there and waited for instructions from Do to arrive, usually by way of Veronica Carpenter, a Do county staffer at the time. Do then moved his childhood friend Clayton Chau into the HCA director's slot, but was soon double paying him as both the County Health Officer and the HCA Director.

I read in the press that Do now is talking about how the other supervisors have some culpability here, and he's right. But the sad truth of the matter is that once Todd Spitzer and Shawn Nelson left, there was no one else willing or able to keep Do honest on anything having anything to do with healthcare. Lisa Bartlett and Michelle Steel basically took orders from him, and Doug Chaffee, when he managed to stay awake, often seemed too confused to do much more than blindly followed his "mentor."

What triggered this letter is the absurd assertion that Do did a good thing by launching "BeWell." The reality is that the color brochures announcing CalOptima's \$5 million commitment were printed up and distributed before Do had even shared the concept with the CEO or the other CalOptima board members. At Do's direction, CalOptima wrote the check, and the facility was built, with title to the building in the name of a Do crony. For its first year, the building mostly sat empty, except for Wednesday mornings when Do would hold secret strategy meetings there. These were out of sight of the press, the other supervisors and anyone not part of his scheme. An agenda for these meetings was never posted, and the press and public were never invited, but it was at these meetings that Do and his cronies hatched their plan to take over CalOptima. Do and Veronica Carpenter screened new board members and Do rubber stamper Scott Schoeffel, on the CalOptima gravy train to this day, brought Michael Hunn in to the scheme as a paid "consultant" tasked with blowing up the existing management team. To avoid alerting other CalOptima board members and CalOptima leadership of what they were up to, Do had Clayton Chau, as HCA Director, sign a bogus consulting contract with Hunn purportedly to provide consulting services for HCA. Clayton signed off on the invoices and Hunn got paid, but he never performed any part of the scope of work for HCA. In reality, Hunn from the beginning was enlisted to focus exclusively on undermining and discrediting Michael Schrader and the rest of the CalOptima leadership team. Working closely with

Hunn, Veronica Carpenter, Do's staffer at the county, had as her full-time job for over a year, no responsibilities other than coming up with dirt that Do could use at public meetings to attack CalOptima management. Why? Because Do wanted to get rid of rule followers so he could have unfettered control over the \$4 billion in annual Medi-Cal dollars flowing through CalOptima.

Long story short is that the rule-following team at CalOptima under Michael Schrader's leadership is long gone, and Michael Hunn, the consultant whose strongest qualification for the CEO role was that, like all Do cronies, he would do whatever Do told him to do as long as he got overpaid for it. Publicly calling Do "exemplary" and committing to resign as soon as Do was ready to take over as CalOptima CEO, Hunn the seat warmer continues to receive the \$1 million annual salary Do had set up for himself. And the list of unqualified, overpaid Do cronies goes on from there: Veronica Carpenter basically tripling her salary and still serving as Do's eyes and ears in the building with no other portfolio of responsibilities. Yunkyung Kim, a mid-level staffer before Do brought her in to do his bidding earning over \$800,000/year as COO, Javier Sanchez, fired from Choc, Kaiser, and a Medicare start up brought in because he was friends with Veronica Carpenter to run CalOptima's Medicare plan, James Novello, a lawyer from a small firm in Sacramento brought in as general counsel based on previously working with Hunn and Yunkyung Kim despite having next to no public agency experience, and Richard Pitts and his gaggle of 14 medical directors, all earning over \$400,000/year, none of them with any managed care experience, all of them working remotely, and virtually all of them having enough free time to hold down other jobs. When they got rid of Dr. Fonda and the inhouse lawyers, Chaffee said that "there was some efficiency in there," but if anyone bothered to follow up on that math today, they would see that CalOptima's administrative expenses are now up by over \$80 million a year, and its healthcare quality and member satisfaction scores have fallen from the best among large Medi-Cal plans in the state to among the worst.

Hunn and the others Do put in place all talk a good game, but it's all talk. There is no integrity, no transparency, no competence. It's just buying people off and holding on to what Do gave them for as long as possible. When Do was pushing through rate increases to providers that the actuaries could not justify, inflating salaries at levels set by the staff who were getting the raises and hiring his friends and friends of friends as consultants at inflated rates to perform questionable "services" outside of the board approved bidding processes, or changing the rules of live RFPs to reward still more of their cronies, Do would say that, "first of all, no one is watching, and second of all, if they are, they won't be able to figure it out, and third, if they do, it's just one bad news cycle, which I will handle so just keep doing what I tell you."

With Do now headed to jail for whatever duration, it is his co-conspirators, who are controlling the billions of taxpayer dollars flowing through CalOptima. Same ethics, same competence. There are not many complaints from employees or providers because they are all being wildly overpaid and no longer asked to actually do the hard work that goes in to actually providing the level of managed care that the state contract calls for. There are no complaints from members because anything and everything they request is being authorized. Not surprisingly, some are pretty happy about this, but people are just going through the motions and the organization is now little more than a no questions asked cash dispensing machine, with millions and millions of taxpayer dollars being wasted each and every week in the form of overpayments, and the complete lack of checks and balances. Incompetent, overpaid Do blind followers enriching themselves and their cronies at



taxpayers' expense. Kind of like what happened in the City of Bell 10-15 years ago, but with much bigger numbers.

Hunn doesn't really know what he's doing, the board members either don't really understand what's going on or are there to just suck as many dollars out of the system as they can for providers before the state wakes up, and Dr. Pitts and his army of medical directors simply are not engaging in medical management. As Do was pushing out all the rule followers in CalOptima leadership roles, I remember Andrew telling members of the medical leadership team at the time that he speaks for the CalOptima board, that staff is to never ever question him, and that if he brings in consultants, we are to do whatever they say no matter what because they know better than we do. He was wrong, his consultants didn't know anything other than what we as staff taught them. But in the end, it didn't matter because the state and federal regulators only audit once every 3-5 years, the press only caught Do on very low hanging fruit, and the other supervisors were simply not up to the task of reigning Do in. As for the other CalOptima board members, anyone independent was forced out, and the rest of them got the message that they had a bright future so long as they asked on questions and rubber stamped whatever Andrew was pushing through. The good news is that I'm hearing that at HCA, the other supervisors deserve some credit for starting to turn things around and at least are saying that they will support staff who follow rules and raise concerns when they are being pressured not to. Unfortunately, that hasn't happened at CalOptima, and it's just wishful thinking to imagine that it will until Do's remaining cronies on the Board and throughout the leadership ranks are replaced with people hired based on competence and integrity and not on being beholden to Do and the empire he built there. As of today, his co-conspirators remain large and in charge, and locked arm in arm in, co-conspirators doing everything they can to maintain the roles and compensation that are far beyond anything they could obtain in any other circumstances.

While it's understood that much of this is beyond your remit, I write simply to say that as a former insider at both the HCA and CalOptima, by any objective measure, the organizations and the community members they were set up to serve are much worse off due to Andrew Do, and he should be embarrassed to have nothing more to claim as an accomplishment than that boondoggle of open meeting law violations and wasted taxpayer dollars that BeWell was under his leadership. Maybe he has forgotten that he sent Frank Kim over to tell the CalOptima CFO to write off the investment he forced CalOptima to make in BeWell so the county could get the liability off its books. Or maybe he is just trying to do and say whatever will result in the lightest sentence possible. He may never get the \$1 million a year job at CalOptima, but good luck to the County at ever recovering a dime of the \$10 million that they believe Do and his cronies stole from homebound seniors. Depending on how much time he actually serves, he may well be "earning" far more for each one of those years than he ever could have as CalOptima CEO.

Respectfully,

O.C. Nurse

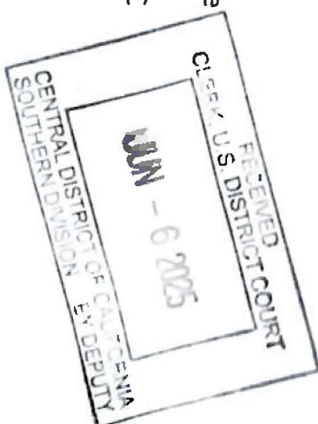
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